

**REMARKS**

Applicant greatly appreciates the courtesies extended by the Examiner to Applicants and its representatives during a personal interview on March 9, 2005. Applicants' representatives and the Examiner discussed the pending rejections during the interview, and the undersigned believes that the interview served to advance prosecution of this case towards allowance of the pending claims. In this response, claims 27 and 28 have been added, and claims 1, 14 and 19 have been amended. Entry of added claims 27 and 28, and the amendments to claims 1, 14 and 19, is respectfully requested. Reconsideration of the outstanding objections/rejections in the present application is also respectfully requested based on the following remarks.

I. **THE OBVIOUSNESS REJECTION OF CLAIMS 1-25**

On page 2 of the Office Action, claims 1-25 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Thomas (U.S. Patent No. 6,173,272) in view of Field (U.S. Patent No. 6,073,104). This rejection is hereby respectfully traversed.

As stated in MPEP § 2143, to establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

A. Cited References

1. Thomas Reference

Thomas -- the primary reference cited in the Office Action -- discloses a funds transfer system for facilitating electronic funds transfer between a payor and a payee by means of a trusted third party ("TTP"). *See, e.g.*, Abstract of Thomas. The system may be used as: (1) an Electronic Funds Transfer system that uses the TTP to facilitate payments to billers (*See* Col. 7, line 50 to Col. 22, line 3), and (2) an Electronic Bill Presentment system that allows billers to present bills to consumers (*See* Col. 22, line 4 to Col. 23, line 16).

The Electronic Funds Transfer system of Thomas is described as follows:

A funds transfer system for facilitating electronic funds transfer between a payor and a payee by means of an intermediate trusted third party comprises: a payor station including a device for electronic communication of a payment order, the payment order comprising the payee's name, address and an amount owed by the payor to the payee; a home banking system including a computer structured to communicate electronically at least with the payor station, to receive the payment order, and with the trusted third party; a trusted third party system associated with the trusted third party, the trusted third party system comprising a computer structured to communicate electronically with both the home banking system and a bank of the payee. The home banking system computer is operable, upon receipt of the payment order from the payor station, to generate a universal identifier number uniquely identifying the payee and to transmit electronically the universal identifier number to the trusted third party via a communication with the trusted third party system. The trusted third party system computer also being operable, in response to receipt of the universal identifier number from the home banking system, to identify the payee as a party to receive payment, to generate a routing/transit number of the bank of the payee and the payee's account number from the universal identifier number, and to communicate electronically with the bank of the payee to facilitate transfer of the amount owed to the payee's account to the bank of the payee.

*See*, Abstract of Thomas.

The Electronic Bill Presentment system is the Electronic Funds Transfer in reverse operation, and is described in two embodiments--(1) one for banks that offer proprietary home banking systems, and (2) another for banks that offer bill presentment through the Internet:

In addition to facilitating payments to billers, the system of the present invention can also be used in reverse to allow billers to present bills to consumer's (potential payors). Such a system would utilize the UID database resident at the TTP to transmit an ACH message to the potential payor's home banking system.

In the bill presentment system, companies or individuals that wish to bill electronically send billing data to the TTP. The TTP uses the UID database to route these bills electronically to the home banking system to present the bills. The bills are delivered to the home banking system in ASC X12 format using the 810 or 811 transaction set.

The biller in this system delivers a file containing consumer bills in X12 format to the TTP. The TTP routes the consumer's bill in accordance with the routing information contained in the database. Optimally, this would involve routing the bill to the consumer's bank in X12 format. The consumer's bank routes the bill to its home banking system and presents it to the consumer using a proprietary (or open) interface that the bank uses to communicate with its customers.

If the consumer is willing to pay the bill, it would do so by flagging the bill for payment using the interface supplied by its bank. Since the bill was received by the bank in X12 format, it would be able to route the payment through the appropriate payment network. Accompanying the payment would be X12 remittance data created from the original X12 invoice. Assuming the ACH network is used, the payment would be carried in either a Consumer Initiated Entry (CIE) or Corporate Trade Exchange (CTX) transaction. The accompanying X12 remittance would be appended to the CTX or CIE as addenda records. The payment would pass through the ACH network and be delivered to the biller's receiving bank. The receiving bank would credit the account of the biller, and pass the X12 remittance to the company.

As an alternative electronic bill presentment method, banks that do not currently offer home banking, do not want to develop bill presentment on their home banking systems, or simply want to provide multiple access methods for their customers, can offer bill presentment through the Internet. Such a web-based bill presentment system would be customized for each participating bank. Consumers gain access to a bill presentment web site through the web site of the participating bank. Participating banks provide a link on their web page to the bill presentment web site. The bill presentment web site may be managed by each individual bank, or operated by an automated clearing house, such as NYACH.

Where the web site is managed by the automated clearing house, billers deliver information to the clearing house in the same manner as in the home banking bill presentment option discussed above. Instead of forwarding billing data to the participating bank's home banking system, data for each consumer is kept on a secure system at the clearing house. This system is connected, off-net, to the web-

based bill presentment server.

To utilize the system, a consumer logs in at the bill presentment site, or alternatively, uses a secure browser and certificate issued by his or her bank. After being successfully authenticated at the bill presentment server, the consumer is shown a summary of bills available for payment. The consumer then may click on any bill he or she wishes to examine. The bill presentment server then sends an inquiry to the clearing house system. The billing information is sent back to the bill presentment server, converted to HTML, and displayed to the consumer.

The consumer can then indicate a willingness to pay the bill by clicking on a payment icon associated with the presented bill. Payment orders may be collected by the clearing house system, where they can be converted into an ACH payment in consumer initiated entry (CIE) format, or corporate trade exchange (CTX) format. These ACH payments are forwarded in batches to the consumer's bank for balance verification and origination into the ACH network.

The embodiments discussed above are illustrative and are not intended to limit the scope of the present invention to the particular method of (or system for) carrying out the invention described therein. The scope of the invention is to be interpreted broadly, in view of the appended claims.

*See*, Thomas, Col. 22, line 4 to Col. 23, line 16.

## 2. Field Reference

Field discloses a system for invoice record management and asset-backed commercial paper program management that is described as follows:

A computerized system that will allow healthcare providers to access the commercial paper market by "selling" their patient claims to asset backed commercial paper conduits. The system generates the statistical information on the historic collection experience of the provider's claims required by both the rating agencies and the sponsors of the conduits. This statistical information has two pieces: the net collectible value matrix showing the percentage of the claim actually paid by individual payers; and a collection histogram showing the timing of the payers payments from the date of initial billing. The system also generates the accounting detail necessary for controlling and auditing the provider's participation in the commercial paper conduit program. The system tracks "periodic pools" of claims so as to be able to reconcile advances, collections, interest expense, third party fees and cash settlements between conduits and providers. This statistical information has two pieces: the net collectible value matrix showing both the percentage of the claim actually paid by individual payors and the standard deviation of this percentage; and a collection histogram

showing the timing of the payors' payments from the date of initial billing. *See*, Abstract of Field.

B. Independent Claims 1 and 14

Although Applicant does not agree with the pending rejection, Applicant has nonetheless amended independent claims 1 and 14 to clarify a feature of the claimed systems and methods. Independent claim 1, a method claim, now recites the step of “transmitting the electronic invoice information on behalf of the first participant to a second participant, the electronic invoice including one or more modifiable payment terms wherein one term requires payment of the receivable be sent to the receivable clearinghouse.” Independent claim 14, also a method claim, now recites the step of “transmitting the payable information to the second party as an electronic invoice including one or more modifiable payment terms wherein one term requires payment of the receivable represented by the electronic invoice be settled through the receivable clearinghouse.” Support for these limitations is found throughout the specification. *See, e.g.*, Page 4, lines 13-14 (“A further aspect of the present invention provides a process for modifying the one or more payment terms.”)

Applicant respectfully submits that neither Thomas nor Filed -- alone or in combination - teaches or suggests the steps of “transmitting the electronic invoice information on behalf of the first participant to a second participant, the electronic invoice including one or more modifiable payment terms wherein one term requires payment of the receivable be sent to the receivable clearinghouse,” or “transmitting the payable information to the second party as an electronic invoice including one or more modifiable payment terms wherein one term requires payment of the receivable represented by the electronic invoice be settled through the receivable clearinghouse.”

Thomas, for example, discloses an electronic bill presentment system, but does not teach or suggest an electronic invoice that includes one or more payment terms, much less an electronic invoice that includes one or more *modifiable* payment terms, as expressly recited in independent claims 1 and 14. Similarly, Field merely discloses a system for invoice record management and asset-backed commercial paper program management, but does not teach or suggest an electronic invoice that includes one or more payment terms, much less an electronic invoice that includes one or more *modifiable* payment terms, as expressly recited in independent claims 1 and 14.<sup>1</sup>

Further, Applicant has also amended independent claims 1 and 10 to recite the additional step of “offering the receivable for sale to third parties over a receivable marketplace associated with the receivable clearinghouse, the receivable marketplace being accessed by a receivable trading apparatus.” As described below, Applicant respectfully submits that neither Thomas nor Field, alone or in combination, teach or suggest such a feature or function.

Accordingly, Applicant respectfully submits that independent claims 1 and 14, as amended, are allowable over the cited references.

C. Independent Claim 19

Although Applicant does not agree with the pending rejection, Applicant has nonetheless amended independent claim 19 to better recite the claimed method.<sup>2</sup> Independent claim 19, a method claim, now recites the step of “providing a computer network based clearinghouse for:

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<sup>1</sup> New dependent claims 26 and 27, which depend from claims 1 and 14, respectively, further recite that the one or more modifiable payment terms are modifiable by the first or second participant. Applicant respectfully submits that neither Thomas nor Field teaches or suggests such a feature or functionality.

<sup>2</sup> This amendment is made to better recite or clarify the claimed subject matter and is not intended to narrow or broaden the scope of the claim, or to overcome any of the cited references.

(1) adjusting trade account receivable receivables and and/or payable payables adjusting, (2) entering into payment term agreements, and (3) making at least one payment using a payment mechanism.”

Further, Applicant respectfully submits that neither Thomas nor Field -- alone or in combination -- teaches or suggests the step of “providing a forum within the clearinghouse that allows a receivable owner sponsor, on behalf of a receivable owner, to sell a receivable debtor obligation to other participants under clearinghouse rules and obligations agreed to by all participants,” as expressly recited in claim 19. Applicant agrees with the Examiner’s contention that Thomas is not concerned with transactions involving receivables. While Applicant would agree that Field discloses “[a] computerized system that will allow healthcare providers to access the commercial paper market by ‘selling’ their patient claims to asset backed commercial paper conduits,”<sup>3</sup> Applicant respectfully submits that such a disclosure does not teach or suggest the specific step of “providing a forum within the clearinghouse that allows a receivable owner sponsor, on behalf of a receivable owner, to sell a receivable debtor obligation to other participants under clearinghouse rules and obligations agreed to by all participants.” First, Applicant respectfully submits that Field does not teach or suggest a *forum within a clearinghouse* that allows a receivable owner sponsor, on behalf of a receivable owner, to sell a receivable debtor obligation to other participants, as expressly recited in claim 19. Second, Applicant respectfully submits that Field does not disclose any feature or functionality in which a receivable debtor obligation is sold *under clearinghouse rules and obligations agreed to by all participants*.

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<sup>3</sup> See Field Abstract.



In any event, Applicant respectfully submits that the Examiner has failed to set forth a proper motivation to combine the teachings of Thomas and Field, and thus has not established *prima facie* obviousness. In particular, while the Examiner asserts that “Thomas et al. do not explicitly state the information concerns a transaction involving a receivable and a corresponding invoice having payable and receivable information, and that “Field discloses a system and method for facilitating the selling and purchasing of a receivable,” the Examiner does not provide any indication as to why or how someone of ordinary skill in the art would be motivated to modify the teachings of Thomas to incorporate the teachings of Field. Without such a showing or explanation, an obviousness rejection cannot stand. *See, e.g., ACS Hospital Systems, Inc. v. Montefiore Hospital*, 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984) (obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination.)

In fact, Applicant respectfully submits that one of ordinary skill in the art would not be motivated to modify the teachings of Thomas to incorporate the teachings of Field. Thomas relates to electronic funds transfer and bill presentment and systems and methods, and thus would not benefit from incorporating of Field’s computerized system for allowing healthcare providers to access the commercial paper market by selling their patient claims to asset backed commercial paper conduits. Moreover, there is no teaching or suggestion in Thomas or Field that the systems and methods discloses therein can be modified to incorporate the teachings or suggestions of the other. Accordingly, Applicant respectfully submits that the proposed combination of Thomas and Filed is clearly based on impermissible hindsight from viewing the pending claims. *See, e.g., In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991) (The teaching or suggestion to make the claimed combination must be found in the prior art, not in applicant’s disclosure).



Accordingly, Applicant respectfully submits that independent claim 19 is allowable over the cited references for at least the reasons set forth above.

D. Independent Claim 20

Applicant respectfully submits that -- for at least the reasons set forth above in connection with claim 19 -- neither Thomas nor Field teaches or suggests “a receivable trading apparatus for interacting with a receivable marketplace wherein the receivable represented by the invoice information can be offered for sale to other participants of the receivable clearinghouse, the receivable trading apparatus being operably connected to the data repository.”

Accordingly, Applicant respectfully submits that independent claim 20 is allowable over the cited references.

E. Independent Claim 25

Applicant respectfully submits that independent claim 25 is allowable for at least the reasons set forth above in connection with claim 19.

F. Dependent Claims

Claims 2-13, 15-18, 21-24, and 26-27 are dependent upon independent claim 1, 14, 19 or 20. Thus, since independent claims 1, 14, 19 and 20 should be allowable as discussed above, claims 2-13, 15-18, 21-24, and 26-27 should also be allowable at least by virtue of their dependency on independent claim 1, 14, 19 or 20. Moreover, these claims recite additional features which are not claimed, disclosed, or even suggested by the cited references taken either alone or in combination. For example, claim 2 -- which depends from claim 1 -- further recites providing a process for modifying the one or more payment terms, the steps comprising: receiving a confirmation offer from the first participant comprising an agreement on an amount and date; and, forwarding the confirmation offer to the second participant.”

While the Examiner concedes -- and Applicant agrees -- that Thomas does not teach or suggest the steps of claim 2, Applicant respectfully submits that Field also fails to teach or suggest those steps, namely: a process for modifying the one or more payment terms, comprising: receiving a confirmation offer from the first participant comprising an agreement on an amount and date; and, forwarding the confirmation offer to the second participant.

In any event, Applicant respectfully submits that the Examiner has failed to properly establish *prima facie* obviousness of claim 2. In particular, Applicant respectfully disagrees with the Examiner's assertion that "[b]oth Thomas et al and Field provide means or steps for facilitating negotiations between a first and second participant...." Applicant has carefully reviewed both references and could not find any instance where negotiation between a first and second participant is taught or suggested. Moreover, while the Examiner asserts that "[i]t would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teachings of Field into Thomas et al in order to allow a first and second participant to negotiate or change terms of an offer," Applicant respectfully submits that -- even if true -- such a motivation and eventual combination would not result in the claimed invention. For example, merely disclosing a contract between a buyer and seller -- as Field purportedly does<sup>4</sup> -- does not necessarily mean, for example, that Field makes up for Thomas' deficiency regarding the specific step of "receiving a confirmation offer from the first participant comprising an agreement on an amount and date; and forwarding the confirmation offer to the second participant." The law is clear that to establish *prima facie* obviousness of a claimed invention, all the claimed limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d

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<sup>4</sup> Applicant has considered Figures 3, 4 and 7 of Field, but fails to see where or how they teach or suggest the specific limitations of the pending claims.

981 (C.C.P.A. 1974); *In re Wilson*, 424 F.2d 1382, 1385 (C.C.P.A. 1970) ("All words in a claim must be considered in judging the patentability of that claim against the prior art.")

In view of the foregoing, it is respectfully requested that the aforementioned obviousness rejection of claims 1-25 be withdrawn.

## II. CONCLUSION

In view of the foregoing, it is respectfully submitted that the present application is in condition for allowance, and an early indication of the same is courteously solicited. The Examiner is respectfully requested to contact the undersigned by telephone at the below listed telephone number, in order to expedite resolution of any issues and to expedite passage of the present application to issue, if any comments, questions, or suggestions arise in connection with the present application.

To the extent necessary, a petition for an extension of time under 37 CFR § 1.136 is hereby made.

Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-0206, and please credit any excess fees to the same deposit Account.

Respectfully submitted,

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